

7. The second iteration in computing the Need allocation consists of adjusting the Need allocation computed above to take into account the minimum needs provision. Tribes that receive less than \$200,000 under the FCAS component of the IHBG formula and that can demonstrate the presence of any households at or below 80 percent of median income are guaranteed to receive no less than a specified minimum amount under the Needs component of the formula. The specified minimum amount shall equal .007826 percent of the available appropriations for that fiscal year after set asides.

$\text{MINFUNDING} = \text{APPROPRIATION} * .00007826$

If in the first Need computation, a qualified tribe is allocated less than the minimum Needs funding level, its Need allocation will go up. Other tribes whose Needs allocations are greater than the minimum needs amount will have their allocations adjusted downward to keep the total allocation within available funds:

If $\text{NEED1} < \text{MINFUNDING}$ and $\text{FCAS} < \$200,000$ and $(\text{HHLE30} + \text{HH30T50} + \text{HH50T80}) > 0$, then $\text{NEED} 2 = \text{MINFUNDING}$.

If $\text{NEED1} > \text{MINFUNDING}$, then $\text{NEED2} = \text{NEED1} - \{(\text{UNDERMIN\$} * [(\text{NEED1} - \text{MINFUNDING}) / \text{OVERMIN\$}])\}$.

Where:

MINFUNDING = minimum needs amount

$\text{UNDERMIN\$}$ = for all tribes qualifying for an increase under the minimum needs provision, sum of the differences between MINFUNDING and NEED1 .

$\text{OVERMIN\$}$ = for all tribes with needs allocations larger than the minimum needs amount, the sum of the difference between NEED1 and MINFUNDING .

8. The next step is to compute a preliminary unadjusted grant allocation (unadjGRANT) that will serve as the basis for further adjustments called for in §1000.340.

$\text{unadjGRANT} = \text{FCAS} + \text{NEED}$, where both FCAS and NEED are calculated above.

9. As required by §1000.340(a), if an Indian tribe with an IHA that owned or operated fewer than 250 units on October 1, 1997, is allocated less funding under the averaging method (§1000.316(b)(2)) than the calculation of the number of Low-Rent, Mutual Help, and Turnkey III FCAS is multiplied by the national per-unit amount of allocation for FY 1996 modernization multiplied by an adjustment factor for inflation, then, the Indian tribe's modernization allocation is calculated under §1000.316(b)(1). The grants of all other tribes are proportionately adjusted to keep the allocation within available appropriations.

If $\text{MODAVG} < \text{MOD1996}$,
then $\text{GRANT1} = \text{unadjGRANT} + (\text{MOD1996} * (\text{TDC} / \text{NTDC})) - (\text{MODAVG} * (\text{TDC} / \text{NTDC}))$.

Otherwise,

$\text{GRANT1} = \text{unadjGRANT} - [\text{UNDERMOD\$} * (\text{unadjGRANT} / \text{OVERMODGRANTS})]$

Where:

$\text{UNDERMOD\$}$ = for all tribes qualifying for an increase to modernization, the sum of the differences between local cost adjusted MOD1996 and local cost adjusted MODAVG .
 OVERMODGRANTS = for all tribes not qualifying for an increase to modernization, the sum of their unadjusted grant amounts.

10. As called for in §1000.340(b), a final adjustment occurs to ensure that no tribe is allocated less funding under the formula than an IHA received on its behalf in FY 1996 for operating subsidy and modernization. Indian tribes receiving more under the IHBG formula than in FY 1996 "pay" for the upward adjustment for the other tribes by having their grants adjusted downward, so long as the adjustment does not reduce their grant below the minimum funding amount.

Let $\text{TEST} = \text{GRANT1} - \text{OPMOD96}$.

If TEST is less than 0, then $\text{GRANT2} = \text{OPMOD96}$.

If TEST is greater than 0 and $\text{GRANT1} > \text{MINFUNDING}$, then $\text{GRANT2} = \text{GRANT1} - [\text{UNDER1996} * (\text{TEST} / \text{OVER1996})]$.

Where:

OPMOD96 = funding received by tribe in FY 1996 for Operating Subsidy and Modernization.

UNDER1996 = for all tribes with TEST less than 0, sum of the absolute value of TEST .

OVER1996 = for all tribes with TEST greater than 0, sum of TEST .

GRANT2 is the approximate grant amount in any given year for any given tribe.

[72 FR 20026, Apr. 20, 2007]

PARTS 1001-1002 [RESERVED]

PART 1003—COMMUNITY DEVELOPMENT BLOCK GRANTS FOR INDIAN TRIBES AND ALASKA NATIVE VILLAGES

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